PSF No: 97HD-387

HAWAII

STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES Land Division Honolulu, Hawaii 96813

May 26, 2006

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii

Amend Prior Board Action of March 14, 1997 (Item D-21), Set Aside to the Division of Forestry and Wildlife, North Kona, Hawaii, Tax Map Keys: (3)\7-3-1:2; 7-4-1:2; 7-4-1:3; 7-4-2:7; 7-5-13:13; 7-5-13:22

BACKGROUND:

On March 14, 1997, the Board of Land and Natural Resources (BLNR) approved recommendations on agenda item D-21 setting aside five parcels, and a portion of a sixth parcel (tmk: 7-4-2:7) known as the Kealakehe Mauka Tract, into the Honuaula Forest Reserve in North Kona (Attachment A). BLNR approved that the Kealakehe Mauka Tract be subdivided with a portion to be under the jurisdiction of Land Division, while the remainder to be set aside to the Division of Forestry and Wildlife (DOFAW). The principal intent for the subdivision of this parcel was to keep approximately half (lower elevation) of the parcel in pasture use.

The executive order to add these parcels to the Honuaula Forest Reserve has not been completed because of a backlog in obtaining parcel survey maps and descriptions, and the subdivision of the Kealakehe Mauka Tract. For the subdivision process, the County of Hawaii will require the establishment of an easement for access to the lower portion that could be difficult or impractical to obtain in the subject area. Staff is requesting the BLNR to amend its approval of March 14, 1997 by placing the entire parcel (tmk: 7-4-2:7) into the Forest Reserve System for forestry uses including koa reforestation.

DISCUSSION:

In a recent review of agricultural properties to transfer from the Department of Land and Natural Resources to the Department of Agriculture, this parcel was identified as one that should be retained by the Department for natural resource management and conservation. This parcel occurs in the koa-ohia belt and provides the opportunity to restore the upper portion to a koa-ohia forest for its watershed, native habitat, and sustainable koa commercial forest potential.

One reason the entire parcel was not transferred into forestry uses in 1997 was a request by the current permittee (Revocable Permit No. S-6971

issued to Palani Ranch) to retain a portion of the parcel to facilitate management of their cattle operation on adjacent lands. After recent consultation with Palani Ranch representatives and DOFAW, the Land Division believes that the same intent can be achieved with an orderly transition out of grazing to forest reserve management if the entire parcel is transferred to DOFAW jurisdiction, based on the following discussion:

A. DOFAW's principal long-term management goals for the proposed additions to the Honuaula Forest Reserve include native forest restoration, reforestation of pastureland, enhanced watershed function and value, native wildlife habitat restoration, sustainable commercial koa timber management, public recreation, wildfire fuel load control, and feral cattle control. Reforestation work represents the primary underlying principal for achieving these goals. DOFAW proposes to initially focus reforestation efforts on lands that have already been removed from grazing, had a long history of pasture use, are currently impacted by feral cattle, and contain considerable open spaces - primarily the Kealakehe Mauka Tract and Honuaula Tract II (Attachment B). Due to limited personnel and operating budget, DOFAW proposes to transition out of grazing and conduct reforestation work incrementally as follows:

Honuaula 2 and Sheep Station paddocks: Initiate cattle control and reforestation efforts in these paddocks beginning in May 2007 or thereafter.

Honuaula 1 and Kealakehe 1 paddocks: Initiate cattle control and reforestation efforts in these paddocks beginning in May 2008 or thereafter.

Kealakehe 2 and Kealakehe 3 paddocks: Initiate cattle control and reforestation efforts in these paddocks beginning in May 2016 or thereafter.

- B. Fuel load management is a critical interim management need for decreasing wildfire potential and protecting adjacent forests and reforestation areas. In addition to allowing the permittee time to plan and facilitate a smooth transition from pasture use prior to forestry use of the subject paddocks, continued grazing will help control fuel load and decrease wildfire threat during the interim period. After the involved lands are formally added to the Honuaula Forest Reserve, DOFAW proposes to return to the BLNR to seek authorization to issue month-to-month revocable permits in pursuit of grazing control of fuel loads for selected paddocks.
- C. The lands comprising Kealakehe 2 and Kealakehe 3 paddocks are approximately equal to the portion of the Kealakehe Mauka Tract for which BLNR had previously approved for retention in grazing under the jurisdiction of the Land Division. These lands will be the last to be scheduled for reforestation efforts (which are not anticipated until June 2016 or thereafter), and will benefit from fuel load

control in the interim.

D. DOFAW plans to develop access to the existing Honuaula Forest Reserve and the proposed additions through the lands of Hienaloli (Attachment A). DOFAW has obtained design and engineering documentation for the makai section of this future access route, and intends to seek funding for its construction.

CONCLUSION:

Addition of the entire parcel comprising the Kealakehe Mauka Tract to the Honuaula forest reserve will unify management responsibility of State lands in the area under one Division and avoid the costly subdivision process. Therefore, in the March 14, 1997 approval, staff is requesting Recommendation B, B.1. and B.2 need to be deleted in its entirety. Transfer Revocable Permit No. S-6971 to the DOFAW to remain in effect until new revocable permit terms are negotiated and approved by BLNR.

RECOMMENDATION: That the Board

- 1. Amend its prior approval of March 14, 1997, under agenda item D-21, by:
 - a. Delete Recommendation B., B.1. and B.2.; and
 - b. Upon the issuance of the executive order, transfer Revocable Permit No. S-6971 to the Division of Forestry and Wildlife.
- 2. Approve in concept the Division of Forestry and Wildlife's proposals to:
 - a. Incrementally conduct reforestation activities within formerly and currently grazed lands of Kealakehe Mauka Tract and Honuaula Tract II, and;
 - b. Staff to obtain future BLNR approval to employ livestock grazing for fuel load control via the issuance of month-to-month revocable permit(s) as a tool to prevent dangerous buildup of wildfire fuels.

Respectfully Submitted,

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Charlene E. Unoki

Assistant Administrator

APPROVED FOR SUBMITTAL:

Peter T. Young, Chairperson

Exhibit A. Proposed additions to Honuaula Forest Reserve, including entire Kealakehe Mauka Tract. Kealakehe Mauka Tract Honuaula Forest Reserve Homasida Traiot III Lands of Hienaloli 0.5 1.5 Miles Hawaii Division of Forestry and Wildlife May 2006 587-4186

Exhibit B. Parcels, paddocks and road information - Honuaula Forest Reserve and adjacent lands N Selected Palani Ranch access roads Kealakehe 1 Cilitiokalami Frue (private) Generalization of proposed State access through 0.5 1.5 2 public lands of Hienaloli Miles Hawaii Division of Forestry and Wildlife May 2006 587-4186

6. N. M. M. M.

EXHIBIT "

March 14, 1997

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii 96813

IIAWAH

Subject: Set aside to the Division of Forestry and Wildlife,

North Kona, Hawaii

Statute: Section 171-11, Hawaii Revised Statutes

Applicant: Division of Forestry and Wildlife

For: State lands at Makaula-Koloko, North Kona, Hawaii,

identified by tax map key: (3) 7-3-1-2 (1,252 acres).

Exhibit B

State lands at Honuaula Mauka, North Kona, Hawaii, identified by tax map keys: (3) 7-4-1-2 (1,252 acres) and

(3) 7-4-1-3 (1,608.500 acres). Exhibit C

State lands at Honokahau 1st-Keahuolu, North Kona, Hawaii, identified by tax map key: (3) 7-4-2-7 (1,232

acres). Exhibit D

State lands at Hienaloli 1st - Puaa 1st, North Kona, Hawaii, identified by tax map keys: (3) 7-5-13-13 (2.859

acres and (3) 7-5-13-22 (78.430 acres). Exhibit E

Purpose: Inclusion within the Honuaula Forest Reserve

Land title status: Subsection 5 (b) lands, ceded

Land status: Vacant, except tax map key: (3) 7-4-2-7 encumbered

under Revocable Permit #S-6979 issued to Palani

Ranch.



Zoning: State Land Use Commission

7-3-01:02 - Conservation

7-4-01:02 & 03-Conservation

7-4-02:07 - Agriculture

7-5-13:13 - Agriculture

7-5-13:22 -Conservation

County of Hawaii

7-3-01:02 - Ag 20 acres

7-4-01:02 & 03 - Ag 20

acres

7-4-02:07 - Ag 20 acres

7-5-13:13 - Ag 1 acre

7-5-13:22 - Ag 5 acres

Environmental

review:

The proposed set aside is merely a transfer of management control of the properties to the Division of Forestry and Wildlife and is, therefore, exempt from the provisions of Chapter 343, Hawaii Revised Statutes.

Remarks:

In accordance with the Notice of Public Hearing published in the Hilo Tribune Herald, Hawaii Newspaper Agency and the West Hawaii Today on November 7, 16 and 28, 1989, and as authorized by the Board of Land and Natural Resources. The purpose of the public hearing was to receive testimony for or against the Division of Forestry and Wildlife requesting 18 parcels in Kau, South Kona and North Kona, encompassing approximately 15,436 acres to be included within the Forest Reserve System.

Including these lands within the Forest Reserve System will provide watershed protection benefits, allow for reforestation for water resource enhancement, protect and enhance native wildlife habitat, provide additional area for public recreation and nature study and provide the opportunity for commercial timber resource production.

The 18 parcels contain native forests in important watershed areas and would be more appropriately managed for their forest resources rather than converted into pasture. Increasing population and projected growth of West Hawaii makes the inclusion of these mauka forest lands in the forest reserve system a pressing concern.

EXHIBIT ""

Most testimonies were in favor of the proposal, but the main concern shared was that these lands be properly managed and maintained. The major objection focused on two State owned pieces encumbered under general lease to Palani Ranch, which have since expired.

The Land Board at its meeting of February 23, 1990, Item C-1 accepted the Divisions of Forestry and Wildlife Master's report with conditions:

- "1) At the expiration of GL S4025 in 1991 in Honuaula Tract 2, lessee will remove all cattle from the Sheep station paddock (exhibit A). A reduced level of grazing and access, as determined and monitored by Hawaii District Forestry and Wildlife Manager will be allowed in paddocks I and II, until expiration of Kealakehe Mauka Tract lease GL S4239 in 1994. This reduced level of grazing will allow cattle access between Palani Ranch's fee simple and leased lands and help control banana poka.
 - 2) All cattle will be removed from Paddocks I and II in Honuaula Tract 2 and the mauka portion of Kealakehe Mauka Tract above 3400 feet at expiration of GL S4239 in 1994.
 - 3) Portions of the Kealakehe Mauka Tract below the 3,400-foot contour interval will be retained by the Division of Land Management."

Staff will be requesting set asides for the Kau and Honuaula Forest Reserve separately. This request covers six (6) parcels totalling approximately 7,149.890 acres.

RECOMMENDATION: That the Board:

A. Approve of and recommend to the Governor issuance of an executive order setting aside the subject properties to the



Division of Forestry and Wildlife for inclusion within the South Kona Forest Reserve.

- Disapproval by the Legislature by two-thirds vote of either the Senate or the House of Representatives or by majority vote of both, in any regular or special session next following the date of the setting aside.
- 2. Division of Forestry and Wildlife shall submit maps, together with metes and bounds description of the properties, subject to review and verification by the Department of Accounting and General Services, Survey Division.
- 3. Upon cancellation of the executive order and/or abandonment of the properties, applicant shall restore to a condition acceptable to the Department of Land and Natural Resources, Land Division.
- 4. Such other terms and conditions as may be prescribed by the Chairperson to best protect the State's interest.
- B. Division of Forestry and Wildlife shall subdivide tax map key:
 (3) 7-4-2-7 using the 3,400 foot contour interval as the
 boundary divider. This is in compliance with Land Board
 approval dated February 23, 1990, Item C-1, Condition 3 which
 states "portions of the Kealakehe Mauka Tract below the 3,400foot contour interval will be retained by the Division of Land
 Management", now known as Land Division.
 - 1. Division of Forestry and Wildlife upon completion of the subdivision, shall notify Land Division and Revocable Permit #S-6979 issued to Palani Ranch. Fencing for this portion of the boundary shall be the responsibility of the Division of Forestry and Wildlife.



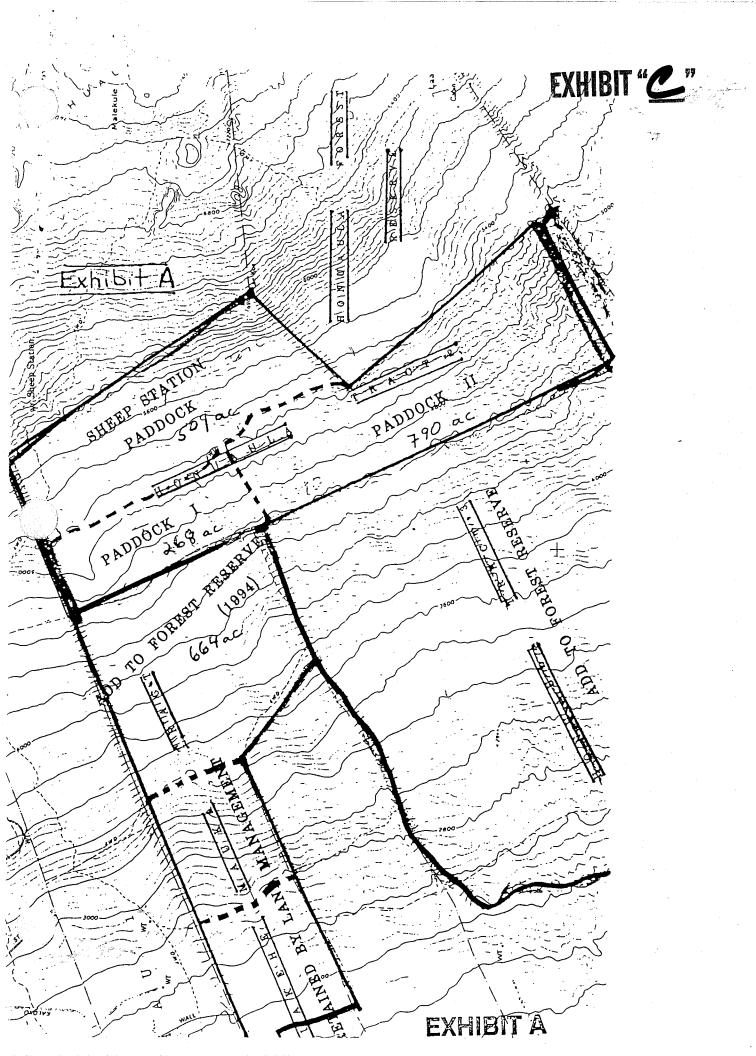
2. Land Division will amend Revocable Permit #S-6979 to correctly reflect how many acres are 'below the 3,400 foot contour interval'. Monthly rental to be established by staff appraiser, subject to review and approval by the Chairperson.

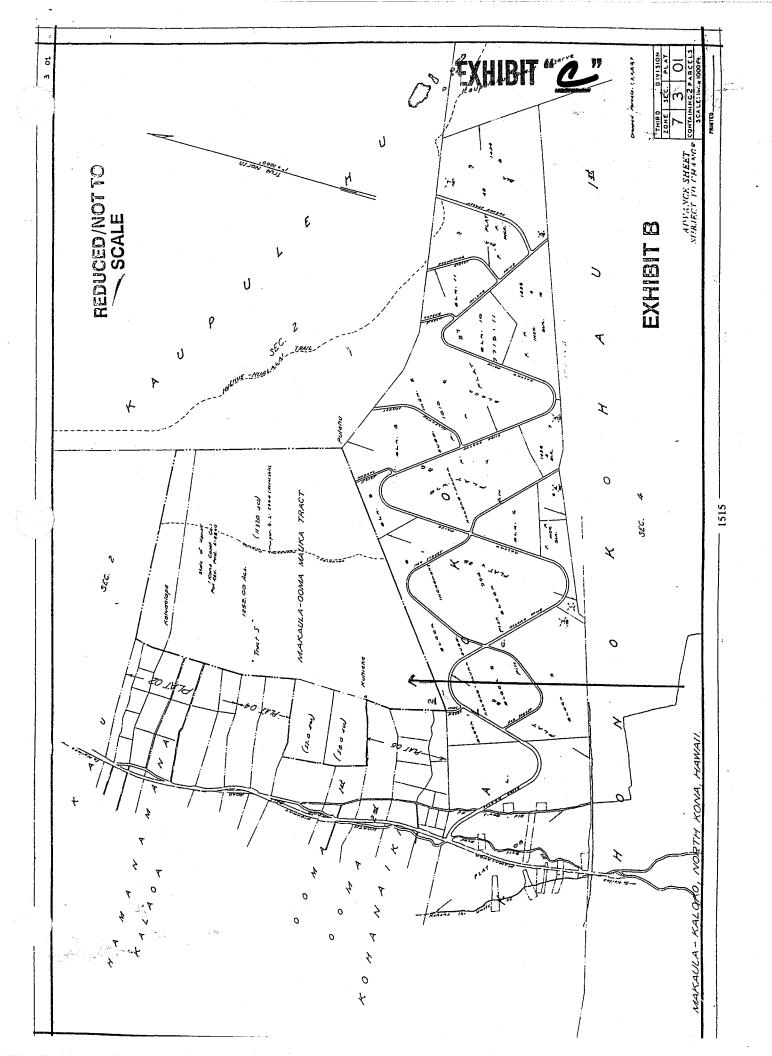
Respectfully submitted,

Charlene E. Unoki

APPROVED FOR SUBMITTAL:

MICHAEL D. WILSON, Chairperson





EXTIGITO

1571

SCALE SCALE	EXHIBIT " 2"	TAX MAP TAX
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